

**MERYL
DOREY'S
TROUBLE
WITH
FINANCE**

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Thanks must go to people who have put much effort into researching the material here; those lovely people who “like” the Facebook Group “Stop the Australian (anti-) Vaccination Network.”

This is Version 2, reissued 5 September 2012 to correct a few typos.

MERYL DOREY'S TROUBLE WITH FINANCE

For those of you new to this area, may I introduce the "Australian Vaccination Network" (AVN), an Incorporated Association based near Byron Bay, NSW. Their anti-vaccination activities have been roundly condemned by leading scientists, health authorities, politicians and doctors. The offices of President, Treasurer, and Public Officer are all held by the self-appointed "Australia's Leading Expert in Vaccination", Ms Meryl Dorey. In spite of the accolade, Ms Dorey holds no qualifications in any health or science field, nor has any experience.

There remains, however, her only claim to any qualification, to have once been a "Stockbroker on Wall St until the 1987 crash",¹ and to hold the requisite qualification from the New York State Financial Industry Regulatory Authority (FINRA). This is the General Securities Representative Exam. As you will no doubt recall it is commonly referred to as the Series 7 Exam. My approaches to FINRA enquiring to any records that might refer to Ms Dorey's holding that qualification led nowhere, probably because I used the wrong surname, and Ms Dorey refused to respond to my question of 27 March 2011 asking her to substantiate her claim.

So this is one of Ms Dorey's claims that I have not been able to refute, so let's try another approach.

We would all expect that anyone who holds the necessary qualifications to be a New York stockbroker would understand finance, accounting, and reporting requirements, and would be a person of integrity. So let's examine her roles in the AVN and put them up against the NSW Incorporated Associations Act. We would expect that the requirements of the Act would be so simple that for a Wall St stockbroker, it would be a doddle. After all, if every little Boy Scout Group and Orchid Appreciation Society can do it and get it right, so should Ms Dorey.

So I and others obtained the AVN'S 2010 Annual Financial Statement², which was signed by Ms Dorey, and put it to some scrutiny. No prizes for guessing that we found that it raises serious questions about Ms Dorey's claims to have been anywhere near a Wall St stockbroker's office. Indeed, the Statement is so bad that it indicates that a forensic audit is necessary. For examples, read on.

1. COMPLIANCE WITH LEGISLATION:

1 (a) Conducting the AGM and Financial Reporting:

The standard Australian Financial Year is from 1 July to 30 June. The AVN, unusually, conducts its Financial Year from 1 January to 31 December. This is acceptable if the arrangement has been approved by the ATO, Fair Trading, and ASIC, but we understand that this approval has not been applied for or granted.

¹ Lismore Northern Star Weekend edition, September 18 2010, page 39,

² <http://www.scribd.com/doc/76023781/AVN2010AnnualFinancialStatement>

The NSW Associations Incorporation Act requires the AVN to:

- a) hold its AGM within six months of the end of their financial year; the AVN did not comply.
- b) submit their audited Annual Financial Statement to the AGM; this was not done.
- c) receive the AGM's approval of the audited Annual Financial Statement; this was not done.
- d) then submit its audited Annual Financial Statement to the Fair Trading within one month of the AGM. This was not done.

So the AGM must be held before 30 June, and the latest the audited Statement can be submitted is 31 July. The AGM was held on 17 September 2011, but no audited statement was submitted. The AVN did apply for an extension to Fair Trading, and this was granted. I have applied for that correspondence through the Government Information Public Access Act, and the AVN is contesting the OFT's decision to release that to me in the Administrative Decisions Tribunal. The obvious question is "What is the AVN trying to hide?"

The audited Annual Financial Statement was submitted later, to a General meeting on 30 November 2011. This is in contravention of the Act, which requires the Annual Financial Statement to be approved by an Annual General Meeting, not a General Meeting.

The "audited" 2010 Annual Financial Statement was received by Fair Trading on 12 December 2011.

Not one of the Act's requirements was complied with.

2. THE COMMITTEE AND ITS OFFICERS

Fair Trading's Model Rules say at S 14:

(4) A committee member may hold up to 2 offices³

According to the Financial Statement, and her testimony in the NSW Supreme Court ⁴ Ms Meryl Dorey is President, Public Officer, and Treasurer.

The AVN claims to have adopted the Model Rules, and indeed shows the words "Model Rules" on the front of their Constitution, like this:

³ http://www.fairtrading.nsw.gov.au/docs/Cooperatives_and_associations/Model_constitution.rtf

⁴ Case 2011/98303

Model Rules
Australian Vaccination Network Inc
PO Box 177
BANGALOW NSW 2479

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These appointments show clearly that they have not adopted the Model Rules, and indeed S14 (4) has been excised from the AVN's Constitution. This is a deception intended to give false confidence to donors, members, the public, and Fair Trading. This deception about this extraordinary concentration of power deserves examination, particularly in relation to legislative requirements and disbursements.

3. STOCK IN HAND:

In an amazing coincidence, the stock in hand for 2010 is precisely what it was the same as 2009: \$12,240. The SMH revealed on 1 September 2010⁶ that the "information packs" that the AVN sells contained extensive breaches of copyright, so they should have been dumped. It appears that they were not, and retained as valuable "stock in hand"; if so, why? Do the identical "stock in hand" figures mean that the AVN hasn't bought or sold a single information pack, DVD, book, brochure, poster, T-shirt, etc? Did the auditor substantiate stock value in view of above comments? If not why not?

4. OUTSTANDING LIABILITIES:

The AVN publishes a magazine "Living Wisdom." A check of business names with ASIC shows that the magazine is not a stand-alone business, it is an inherent part of the AVN. In 2010 and in earlier years, subscribers and advertisers paid for a year's subscription of 6 issues.⁷ In 2010 only two magazines were delivered.

Outstanding liabilities to subscribers and advertisers who have not received their magazines are not shown on the statement. Using the AVN's published circulation of 2,500, with five issues owed to subscribers and advertisers at \$6 and \$4 each, outstanding liability is \$125,000. If each is owed 4 copies, the outstanding liability is \$100,000.

Why did the AVN deliberately avoid publishing this in the Annual Financial Statement?

How can any financial statement omit outstanding liabilities?

Why did the auditor miss it?

Why is the AVN still advertising subscriptions of six copies per year?

⁵ <http://avn.org.au/wp-content/uploads/2012/04/ModelRulesNew.pdf>

⁶ "Copyright breaches land group in trouble" Kate Benson September 1, 2010

<http://www.smh.com.au/national/copyright-breaches-land-group-in-trouble-20100831-14fna.html>

⁷ <http://www.isubscribe.com.au/Living-Wisdom-Magazine-Subscription.cfm> and <http://tinyurl.com/8tmgr5u> and <http://www.antivaxxers.com/?p=4486>

Living Wisdom is a bi-monthly publication, please allow up to six to eight weeks for your first delivery.				
Price \$AU	You Save	Months	Issues	Details
\$75.00		12	6	Australian delivery. order now

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5. CONTINUED VIABILITY OF THE ORGANISATION:

The then NSW Govt applied a restriction, from 15 October 2010,⁹ preventing the AVN from recruiting new members and accepting donations from non-members. Yet the Financial Statement does not mention this major threat. It does say on the last page:

“Emphasis of Matter

Inherent uncertainty regarding continuation as a going concern.

There is an inherent uncertainty wether the Association will be able to continue as a going concern without the ability to continue to generate external funding from donations and Sponsorships.”

Emphasis of Matter Inherent uncertainty regarding continuation as a going concern There is an inherent uncertainty wether the Association will be able to continue as a going concern without the ability to continue to generate external funding from donations and Sponsorships

Why was the government restriction on new members and donations not mentioned here? This was no mere oversight; this was concealment.
Why did the auditor not pick this up?

6. SHONKY EXPENSES?

Staff expenses were \$57,522. How can “other expenses” be \$170,320? Can such a large amount of money be spent on stamps and paperclips? Where did that money go? Much more information is required here, and again, how did the auditor let that pass?

Why is there such a discrepancy in assets listed in the 2008 statement and the assets listed for 2008 in the 2009 statement?

⁸ <http://www.isubscribe.com.au/Living-Wisdom-Magazine-Subscription.cfm>

⁹ <http://www.scribd.com/doc/55504510/Government-Gazette-15-October-Page-03>

The 2008 statement shows assets held in 2008 as \$50,514.02¹⁰

The 2009 statement shows assets held in 2008 as \$ 26,672¹¹

Where did those \$23,842 worth of assets go?

What was the “Rendering of Services” \$76,996 shown on page 9? That’s a lot of “service rendering”. Who got that, and for what? Hairdressers? A secret trapdoor in the kitchen perhaps?

Did that involve any payment to the AVN’s magazine editor, who is also a Committee Member three times over, and therefore prohibited by the Charitable Fundraising Act from accepting payment? In the 2008 Report,¹² the “Editors Charges” was \$17,490. Was that legal, and why is nothing shown in the 2010 Report?

\$231,447 was spent and what did that achieve, apart from two “Living Wisdom” magazines, some travel to West Australia and maybe a holiday in the USA? Considering that the NSW Government still insists that the AVN is a charity, what did the general public get out of that? How did the auditor miss all of that?

7. THE DISPARITY IN PRACTICE COSTS:

Compare the AVN’s expenses with two of my doctor friends’ expenses.

AVN income: \$281,885

AVN Expenses: \$231,447.00

Dr X, specialist, income: \$205,179

expenses: \$153,411.00

D Y, Rural GP, cost of running the practice without his salary for 10/11 financial year was \$155,785.

(Dr X’s expenses include wage as a specialist, receptionists’ full time wages, the complete set up costs for a new office include office furniture, computers, subscriptions for medical software, first time registration as a specialist and indemnity insurance premiums.)

The AVN does not have office rental expenses, being run from an office under Ms Dorey’s house. So why would the AVN’s operating costs exceed that of a specialist physician by \$78,000?

¹⁰ <http://www.scribd.com/doc/48917079/AVN-Financial-Statements-2008-2007-2006>

¹¹ <http://www.scribd.com/doc/39772086/AVN-Financial-Statement-2009>

¹² ¹¹ <http://www.scribd.com/doc/49575211/AVN-Financial-Statements-2008-2007-2006>

According to the 2010 annual statement, the principal activities of the AVN were:

- promote informed choices about vaccinations and natural health
- support the right of all Australians to make free vaccination choices without discrimination or penalty
- research and lobby to protect rights

How did these activities, most of which carry zero or minimal expense, result in an expenditure of over \$230,000?

What tangible benefits did the AVN provide to their members and to the community? Being generous for one moment, here are the only benefits (I use that term loosely) that I can see:

- the AVN hotline for the public to ring for advice
- a magazine (which is rarely published, but is sold nonetheless)
- a website which does not contain any (mis)information that is not freely available elsewhere
- maintenance of an adverse reaction register (a meaningless activity).

From the above, the AVN expenses are probably a tenth of what they claim. The AVN needs only two standard desktop computers, a telephone, no expensive software, and only one person in the office at any one time. Where is all that money going?

8. DONATIONS:

In the 2009 report,¹³ donations are shown as \$90,436 in 2009 and \$44,093 in 2008. Nowhere in the 2010 Annual Financial Statement are donations shown. Surely it is a requirement for an organisation which held a Charitable Fundraising Authority to show that?

NSW is the only state that requires a non-profit organisation to keep operating costs below 50 per cent of all funds collected.¹⁴ What was the figure for the AVN? Considering the admission that the AVN relies largely on donations to survive, (see item 5 above), why was this not shown, why did the auditor fail to insist that it be shown? How did Fair Trading fail to notice it was missing?

9. SHONKY FIGURES?

(a) Page 3 of the Statement shows the "Profit (loss) before income tax" as..... \$50,438.

Page 5 of the Statement shows the "Profit/Reserves attributed to members" as.... \$43,655

Page 11 shows that no tax was paid to the ATO. Where did that \$6,783 go? Why did the auditor not insist that the AVN's tax position be explained?

¹³ <http://www.scribd.com/doc/39772086/AVN-Financial-Statement-2009>

¹⁴ <http://www.smh.com.au/national/good-intentions--but-where-is-the-money-trail-20110826-1jehm.html#ixzz1gTxA74XB>

(b) Page 4 of the Statement shows “Retained earnings” as (15,008), i.eminus \$15,008
Page 5 shows Retained Profits Balance as 30 December 2009 as..... \$8,226

Does this make sense to anybody?

10. WHO AND WHERE IS THE AVN?

The Audited Annual Financial Statement on page 14 says

NOTE 13: ASSOCIATION DETAILS

The registered office of the company is:
Australian Vaccination Network Inc
Deacon St, Bangalow 2479.

The Principal place of business is:
Australian Vaccination Network Inc
Deacon St, Bangalow 2479

NOTE 14: SEGMENT REPORTING

The Association operates predominantly in one business and geographical segment, being the promotion of film in Northern NSW

That is demonstrably untrue.

- The AVN is not a “company.” It is an Incorporated Association.
- The registered office of the AVN is not Deacon St Bangalow; it is in a bunker under Ms Dorey’s house at 138 Old Byron Bay Road, Bangalow.
- The principal place of business is not Deacon St Bangalow; it is in a bunker under Ms Dorey’s house at 138 Old Byron Bay Road, Bangalow.
- The AVN has nothing to do with promotion of film. It is entirely concerned with vaccines and health, which is covered in Item 10 of the first page of Form A12 as “Social services/community organisation.”
- The Deacon St Address is that of “Northern Rivers Screenworks Inc” an Incorporated Association INC9886813.¹⁵

Note that on the front page of Form A12, the answer to the question “Has the official address changed?” is “no.”

Did anyone read this rubbish of a Financial Report before signing it and posting it to Fair Trading?

¹⁵ <http://www.screenworks.com.au/contact.asp>

11. OTHER ISSUES:

a) An AVN E-newsletter in March 2010, describes some of the changes to the Constitution that they intended to incorporate.¹⁶ A member friend of ours cannot find any evidence of when this special general meeting to adopt the new rules actually took place. The last (public) reference to this meeting was in an April 2010 AVN E-newsletter that advised the meeting was only two weeks away.

b) Change to the Constitution: The AVN should be asked to provide proof that the AVN actually received 2/3 of the member vote for the changes to the constitution to be implemented.

c) The 2008 annual statement was unaudited. Why not?

d) Adjustments? The 2008 statement has an item called "Adjustments" of \$58,136.17 listed under Expenses. What is this? That's a lot of "adjustments."

e) Editors Charges 2010

If Ms Dorey received remuneration as editor in 2010, how much did she receive?

Past Editor payments were:

- 2007 Total \$ 15,840 4 issues published. Editor fee per issue: \$3,960
- 2008 Total \$ 17,490 3 issues published. Editor fee per issue: \$5,830
- 2009 Total \$? 4 issues published. Editor fee per issue: ?
- 2010 Total \$? 2 issues published. Editor fee per issue: ?

We would expect to see any remuneration to the Editor in 2010 to be **significantly less** than in previous years as only two magazines were published in 2010. If the total amount for 2010 is the same as in previous years, some would call it "pecuniary gain." Others might call it "fraud."

12. THIS IS NO ISOLATED INCIDENT.

Since the AVN was formed in 1994:

- Annual Financial Statements for the years 1994, 1996, 1997, 1998, 1999, and 2000 were not submitted.
- The Annual Financial Statement for the year 1995 was not submitted until July 1996.
- Annual Financial Statements for the years 2001, 2002, 2003, 2004, and 2007 were not submitted until September 2008.

¹⁶ <http://orbisvitae.com/ubbthreads/ubbthreads.php?ubb=showflat&Number=56436#Post56436>

- The Annual Financial Statement for the years 2005 and 2006 were not submitted until April 2008.
- The Annual Financial Statement for the year 2009 was not submitted until August 2010.
- According to the Office of Fair Trading, the 2011 annual statement for the AVN has not been lodged as of 30 August 2012, nor has there been a request for an extension of time lodged. The legislated requirement is that these should have been submitted before 30 July 2012. See the NSW Associations Incorporation Act 2009 No 7, S45 and S53.

13. CONCLUSIONS:

So this examination shows that:

- a) the AVN is a fraudulent operation;
- b) the AVN makes no effort to comply with the legislation;
- c) the “Annual Financial Statement” is a shambolic attempt at obfuscating incompetence, mismanagement, and fraud;
- d) the “Auditor’s Report” is severely deficient;
- e) rather than substantiating her claim to be an expert in finance, so expert to have once been a “Wall St stockbroker”, this examination shows that Ms Dorey has no expertise at all, is demonstrably incompetent, and lacking in the requisite integrity.

Ken McLeod
5 September 2012.

FURTHER READING:

“Meryl Dorey’s Trouble With the Truth” lists 209 of Meryl Dorey’s lies and frauds, is published in three parts and can be found online at:

Part 1 <http://tinyurl.com/5ut8ae4>

Part 2 <http://tinyurl.com/7cltqrq>

Part 3 <http://tinyurl.com/9yqsln5>

Many more articles, government reports and original documents may be downloaded from www.scribd.com/ken_mcleod

Blogs occasionally exposing the AVN can be found at:

“Meryl Dorey’s Hilarious Antivaccine Idiocy” <http://meryldorey.org/>

“The Millenium Project” <http://www.ratbags.com/rsoles/>

“Reasonable Hank” <http://reasonablehank.com/>

“Losing In The Lucky Country” <http://luckylosing.com/>. For more specific articles concerning Ms Dorey's failure to spend funds raised from public appeals on the purpose for which they were given, go to <http://luckylosing.com/tag/fraud/>

Vaccination Awareness and Information Service <http://www.antivaxxers.com/>.

A Facebook Group has been established to counter the various deceptions of the Australian Vaccination Network.

It is called “Stop the Australian (anti-) Vaccination Network” and is found at <http://www.facebook.com/stopavn>

Its logo is:



IF YOU WISH TO COMPLAIN, CONTACT:

TO: The Hon. Anthony Roberts, MP

Minister for Fair Trading

Level 36 Governor Macquarie Tower

1 Farrer Place

SYDNEY NSW 2000

Via email: office@roberts.minister.nsw.gov.au

cc: Ms Tania Mihailuk

Shadow Minister for Fair Trading

NSW Parliament

Via email: bankstown@parliament.nsw.gov.au

cc: Dr Andrew McDonald MBBS, MP

Opposition Spokesperson for Health

NSW Parliament

Via email: macquariefields@parliament.nsw.gov.au